

Elaine Susan Vail  
**lia sophia** Advisor

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Dear Sir or Madam:

I am writing this letter because I am concerned about the proposed Business Opportunity Rule R511993. I believe that in its present form, it could prevent me from continuing as a **lia sophia** Advisor. I understand that part of the FTC's responsibilities is to protect the public from "unfair and deceptive acts or practices," yet some of the sections in the proposed rule will make it very difficult, if not impossible, for me to sell jewelry products.

I have been in the direct sales business for more than 7 years. I've been a Creative Memories Consultant for more than 7 years, I'm a **lia sophia** Advisor, and I'm an Arbonne Consultant (for discount purpose only). Originally, I became an Advisor in **lia sophia** because I felt the products were exceptional, the hostess benefits were phenomenal, and I needed to earn some additional income for my family. I choose to be a stay-at-home mother, which means sacrificing another full-time income in order to be home with my children. However, with cost-of-living expenses on the rise without salary increases to offset the expense, my husband's salary is no longer sufficient. I plan to become a Manager with **lia sophia**, which involves building a team of Advisors under me—this is something I am serious about and know I can do a good job at. The future of my family and our lifestyle of me being at home with my children during the day are dependent on the stability of the direct selling industry and the ease of recruiting women like myself looking for the same opportunities I have found.

One of the most confusing and burdensome sections of the proposed rule is the seven-day waiting period to enroll new Advisors. **lia sophia**'s sales kit only costs \$99 (it will go up to \$149 in August). People buy TVs, cars, and other items that cost much more and they do not have to wait seven days. This waiting period gives the impression that there might be something wrong with the company or the compensation plan. I also think this seven-day waiting period is unnecessary, because **lia sophia**, and many other companies, already have a 90% buyback policy for all products including sales kits purchased by a salesperson within the last twelve months. Under this waiting period requirement, I will need to keep very detailed records when I first speak to someone about the Advisor opportunity and will then need to send in many reports to my company headquarters. This will defeat the purpose of me finding a well-paying job with minimal hours, so I can live the dream of staying home with my children and only work a couple nights a week—I'll be spending time on paperwork that could be spent with my children. When I became an Advisor, it was MY decision and I felt it was at NO risk. I was getting

hundreds of dollars worth of jewelry for only \$99, and I could do it immediately (and that's important to me), and I could then run my business as I saw fit for my family's schedule. I loathe the idea of anyone telling me I have to wait seven days to make a starter kit purchase when it is MY decision to make and MY money I'm spending on the kit.

The proposed rule also calls for the release of **any** information regarding lawsuits involving misrepresentation, or unfair or deceptive practices. It does not matter if the company was found innocent. Today, anyone or any company can be sued for almost anything. It does not make sense to me that I would have to disclose these lawsuits unless **lia sophia** is found guilty. Otherwise, the company and I are put at an unfair advantage even though we have done **nothing** wrong.

Finally, the proposed rule requires the disclosure of a minimum of 10 prior purchasers nearest to the prospective purchaser. I am glad to provide references, but in this day of identity theft, I am very uncomfortable giving out the personal information of individuals (without their approval) to strangers. Also, giving away this information could damage the business relationship of the references who may be involved in other companies or businesses including those of competitors. In order to get the list of the 10 prior purchasers, I will need to send the address of the prospective purchaser to **lia sophia** headquarters and then wait for the list. I also think the following sentence required by the proposed rule will prevent many people from wanting to sign up as a salesperson - "If you buy a business opportunity from the seller, your contact information can be disclosed in the future to other buyers." People are very concerned about their privacy and identity theft. They will be reluctant to share their personal information with individuals they may have never met. I mean, in this day of "privacy statements" everywhere I go, I can't even get information for my husband's school loan while I'm paying bills without my husband's permission—my own husband whom I share children with—yet, you're proposing I freely give out my new recruit's information to strangers who may or may not be interested in becoming an Advisor!

I appreciate the work that the FTC does to protect consumers, yet I believe this proposed new rule has many unintended consequences and there are less burdensome alternatives available to achieving your goals. I strongly feel that if these absurd proposals come to pass and are enforced, it will destroy the direct selling industry completely.

Thank you for your time in considering my comments.

Respectfully,

Elaine Susan Vail